



Empire State Development

FILM TAX CREDIT – QUARTERLY REPORT
CALENDAR YEAR 2023: THIRD QUARTER
SEPTEMBER 30, 2023

Empire State Development (ESD) oversees administration of the film production and post-production tax credits.

This report reflects program activity during this quarter. The information presented includes projected spending, hires, and estimated credits for film and post-production projects deemed eligible to participate in the Program, and, pursuant to new reporting requirements, actual spending, hires and credits issued to projects that have been completed and audited.

ESD accepts initial applications on a rolling basis and reviews them when deemed complete. A preliminary eligibility determination is made for all applications that meet the criteria set forth in statute and regulations and applicants are invited to submit a final application once projects are finished. This report reflects new applications submitted during July, August, and September 2023.

Production companies may be eligible to receive a fully refundable base line credit of 30 percent of qualified production costs and post-production costs incurred in New York State. Additional incentives may be available in each of the tax credit Programs and subject to additional requirements.

INITIAL APPLICATIONS BY TAX CREDIT LEVEL

The tax credit is claimed pursuant to a three-tiered schedule. Projects issued less than \$1 million in credits can claim the entire credit in the first year. Projects with credits issued of more than \$1 million but less than \$5 million can claim the credit over two years (50% each year); and projects issued credits of \$5 million or more can claim the credit over three years (33% each

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year). Below is a summary of both production and post-production initial applications received this quarter based on the amount of estimated credits.

- Number of Projects, estimated credits of less than \$1 million 17 projects / \$5,397,740
- Number of Projects, estimated credits of \$1 million up to \$5 million: 9 projects / \$20,679,385
- Number of Projects, estimated credits of \$5 million or more: 3 projects / \$53,328,287

For film production projects, the final application determines the amount of the tax credit and when the credit is received. Tax credit certificates are issued in the order final applications are submitted; and tax credit certificates identify the allocation year. For projects that submitted initial applications prior to 4/1/23, the applicant files for the credit for the year after the allocation year; for projects that submitted initial applications after 4/1/23, the applicant files for the credit for the allocation year.

For post-production projects, the credit shall be allowed for the taxable year in which the production of such qualified film is completed.

The projected completion dates for the initial applications submitted this quarter fall between September 2023 and December 2024.

INITIAL APPLICATIONS – FILM PRODUCTION CREDIT

During the third quarter of 2023, the Film Tax Credit Program deemed 18 initial applications eligible to submit a final application for credits. The data in this report is based on those projects, which include 13 films and 5 series pilot totaling over \$76.3 million in estimated credits.

INITIAL APPLICATIONS – FILM PRODUCTION CREDIT – BY MONTH

- July 2023, 6 initial applications received, estimated tax credits: \$30,603,015
- August 2023, 7 initial applications received, estimated tax credits: \$12,255,958
- September 2023, 5 initial applications received, estimated tax credits: \$33,512,238

Chart A shows the estimated number of hires, qualified costs, and total New York budget per project for the 18 initial applications approved this quarter. The New York budget represents the estimated spending in New York State. The figures shown in the column for number of employees are head-count numbers, not full-time equivalents.

FILM-PRODUCTION TAX CREDIT PROGRAM			
Chart A			
Initial Applications Submitted During 3rd Quarter 2023			
ID	Number of Employees	Qualified Costs	Total NY Budget
2826	4,111	\$89,308,432	\$98,467,296
2827	37	\$288,794	\$306,440
2828	137	\$880,116	\$1,000,065
2829	113	\$3,013,004	\$3,180,704
2830	352	\$4,934,686	\$5,583,406
2831	47	\$255,250	\$271,250
2832	293	\$2,465,201	\$2,609,062
2833	533	\$2,100,336	\$2,278,124
2834	161	\$1,563,172	\$1,745,334
2835	198	\$5,932,073	\$6,795,279
2837	370	\$7,218,948	\$8,350,660
2838	86	\$16,094,218	\$22,969,538
2839	351	\$4,177,432	\$5,330,177
2840	474	\$14,267,684	\$23,400,295
2841	255	\$4,809,812	\$5,649,505
2842	183	\$2,420,710	\$2,669,765
2843	1678	\$70,306,510	\$110,184,032
2844	1283	\$21,775,226	\$27,329,616
Totals	10,662	\$251,811,604	\$328,120,548

INITIAL APPLICATIONS – POST-PRODUCTION CREDIT

During the third quarter of 2023, the Film Tax Credit Program deemed 11 initial applications for the post-production tax credit eligible to submit a final application for credits.

INITIAL APPLICATIONS – POST- PRODUCTION CREDIT – BY MONTH

- July 2023, 2 initial applications received, estimated tax credits: \$181,927
- August 2023, 7 initial applications received, estimated tax credits: \$2,678,202
- September 2023, 2 initial applications received, estimated tax credits: \$174,072

Chart B shows the estimated number of hires, qualified costs, and total New York budget for each of the 11 post-production projects approved this quarter.

POST-PRODUCTION TAX CREDIT PROGRAM			
Chart B			
Initial Applications Submitted During the 3rd Quarter 2023			
ID	Number of Employees	Qualified Costs	Total NY Budget
1008	7	\$526,090	\$637,090
1011	24	\$3,568,948	\$5,784,876
1012	21	\$573,124	\$583,124
1013	25	\$1,134,863	\$1,391,863
1014	0	\$950,000	\$950,000
1015	3	\$174,304	\$174,304
1016	0	\$2,215,770	\$2,215,770
1017	7	\$272,232	\$295,632
1018	8	\$550,639	\$667,139
1019	5	\$168,018	\$185,018
1020	5	\$29,600	\$37,600
Totals	105	\$10,163,588	\$12,922,416

FINAL APPLICATIONS – CREDITS ISSUED – FILM PRODUCTION AND POST-PRODUCTION

Effective 2013, statutory provisions require the reporting of the following information: the name of the company receiving the film and post-production tax credit, the amount of tax credit issued, and the credit eligible hours and wages for each project issued a credit.

No tax credits were issued in the third quarter of 2023 due to an impending update to the film tax credit statute.

EMPIRE STATE ENTERTAINMENT DIVERSITY JOB TRAINING DEVELOPMENT FUND

Effective January 2020, recipients of film production and post-production tax credits are required to relinquish one quarter of one percent of their earned tax credit to capitalize the Empire State Entertainment Diversity Job Training Development Fund. This percent was increased to half of one percent effective January 2023. This first-in-the-nation New York Entertainment Workforce Diversity Grant Program supports efforts to recruit, hire, promote, retain, develop, and train a diverse and inclusive workforce in the motion picture and television industry in New York. Applications for grant funding are accepted on a rolling basis.